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Senate Banking Committee
Chairman, Senator Richard Shelby
Ranking Member, Senator Paul Sarbanes
534 Dirkson Building
Washington, D.C. 20510

Testimony of Consumer Witness:
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Mr. Chairman, Ranking Member, and Committee Members. Thank you for allowing me to appear today. I will share with you my 2-year nightmare of being declared a “dead man walking”. It’s a little harder to get credit when the depositories report you as “deceased”.

Personal Background

I am a self-employed suburban businessman running my own real estate development firm. I am 67 years old. In the past I have been a guest professor at 2 European universities, plus two graduate schools here in the states. I authored 3 books on Engineering and Architecture. They were published in Holland. I wrote them in a foreign language. I’ve also been an urban affairs / town planning consultant to numerous Governments in Canada, Europe, and the United States. I have also been a senior executive with a major department store chain. For the last 35 years I’ve been a self-employed businessman.

The Day My World Turned Upside Down.

My 95-year-old mother passed away on April 30, 2001, in a Houston nursing home. I later discovered that because of a clerical error I also “died” that day.

My mother had credit cards with 3 banks, (Chase Bank, Bank One, and People's Bank). I was also a signer on all three cards. Within 24 hours of her death I called all 3 banks to say I would honor my mother's bills; and would send them each a death certificate as soon as I got it. Two weeks later I contacted all 3 banks to verify they received their copy of mom's death certificate. I also asked if it was now "ok" for me to begin reusing their card solely in my name. All 3 said "fine"

Much to my surprise, I received a form letter from Chase Bank, one month later, asking for a copy of mom's death certificate. I called and asked Chase Bank what they did with both the hard copy I mailed and the fax copy I send weeks earlier. They casually said, both probably got lost in their huge filing system. Could I resend them another? This cavalier attitude prompted me to formally ask Chase Bank for a written confirmation that they had removed my mother's name and her social security number off this Chase Bank Visa card. I made that request more than 2 years ago. I have still not received their promised written confirmation. How long should I wait. Five months after mom's death, Chase Bank did send a different form letter. It said I was now the sole name on this Visa card. They also sent me 2 additional cards, (for this account) with my name on them, why? I don't know? I never asked for them? Both, Bank One and People's Bank had sent me their letters more than 4 months earlier.

Cascading Consequences of One Clerical Error.

Suddenly, this whole other world of credit bureau problems came crashing into my life. After some detective work I discovered Chase Bank was the sole culprit reporting me dead to all 3 credit depositories. They "mixed up" my mother's death with my Social Security number. The 3 bureaus seemed to have embedded this error in different locations on their re-circulating data loops. It seems that on each different month my death notice shows up from a totally

different depository's report. They seem to be playing a perverted version of the "book of the month club". Only now, it's "David's Death of the Months". It was becoming ghoulish. The whole thing was starting to send chills down my spine.

Two Out of Three

The first time we noticed that 2 credit bureaus had declared me "deceased" on the same month was later in the fall of 2001.

Mortgage interest rates had been falling dramatically, so my wife and I decided to refinance our house. The mortgage broker called back a few days later, and said, "We have strange problem". Only one bureau gave her a credit score. "Experian" claimed they could not calculate a Fair Isaac score because David was dead. "Equifax" said their Beacon score was not available because the subject was deceased. Today, without 2 out of 3 credit scores, no one gets a residential mortgage, we certainly did not.

I immediately purchased copies of my credit reports from both bureaus. Both showed Chase Bank reported me dead on one Visa Card. Ironically, I was still alive as far as my other Chase Bank credit card with them was concerned.

I followed the F.T.C. printed consumer guidelines for correcting these errors. I mailed in my corrections and waited 30 days. I then purchased new copies of my reports from both Experian and Equifax. I naively expected them to be clean. When the same dirt was still there, I called both bureau's and said "Hello people, "I am really not dead." Help me correct this.

Both bureaus said the same thing. "They had forwarded my complaint to Chase Bank, and Chase has not responded". I asked what's next? They said case closed. They harshly explained that I as a little consumer was not their client or customer. I was just another number for them to make money off. In this case, their client was Chase, (a rich bank); and their customers were all the

other banks, retailers, etc. who regularly paid them big dollars for thousands of reports at a time.

They just didn't care if I was dead or alive, on paper, or in reality.

Equifax told me to quit bothering them, and go away. Experian lost their temper. They threatened me by saying they would put more dirt on my report (so they could make more money) if I didn't hang up.

Deal Directly With The Source

Chase Bank was the only creditor reporting this problem. So, on the very next business day (in November 2001) I called, and faxed, Chase Bank. I asked them how a responsible and ethical bank could report such a malicious lie. Their only response was "They were sorry if it bothered me." They said they would communicate with both Equifax and Experian saying that my death was an error, and inaccurate. I said thank you. I thought that finally would be the end of it. That was how the fair trade reporting act was supposed to work. I finally slept sound that night, after months of agony.

A few days later, I called to verify their correction process was in the works. I was shocked when the supervisor at Chase Bank gave me a non-committal answer - saying, "it was routinely handled." This supervisor refused to give me his name. Later, when I told a depository employee this conversation - they laughed. They said that it was "insider code" for throwing my correction request into the trashcan.

It was at this moment of anger, plus insight, that I truly realized what a "toothless paper tiger" all the Federal legislation on Credit Protection really was. None of the "Big Players" in this industry obey any of these rules and guidelines set forth by Congress. They have told me, "since there are no tough policemen daily watching their actions it was still "business as usual".

Sure, the F.T.C. makes a headline now and then with Consent Settlements against each of the big 3 depositories. But, they said that was only a minor irritant. The only action they might fear is legislation making their individual managers personally responsible for their groups error rates, under penalty of hefty personal fines, and, or jail time. They mentioned the SEC's forced collapse of Arthur Anderson and other firms.

A Serious Disconnect Between Words and Results

I am a living case example of how our current fair credit reporting laws still don't work as intended. They sure sound great on paper.

I remember reading (in 1994), the Senate finally shifted the "Burden of Proof" for the accuracy of information off the back of individual consumers, and onto the shoulders of the 3 giant credit bureaus, and their associated creditors. That sounded wonderful. It was the fair thing to do.

However, it's now nine years later, and hardly anything has really changed. We, the consumer, are still stuck with the "burden of proving" that any "error" on our report is a fabrication, or "mix up" from some other file.

Over the last 26 months I have asked Chase Bank to either prove I'm dead, or quit reporting that lie. "Off the record", people at Chase Bank have told me that: (A). Until there is either a financial incentive, to correct errors, or (B). Until the penalty on both a company and it's staff is so severe that it can't be ignored "little" inaccuracies like mine will never be given the proper attention or time to get corrected.

I Had To Prove I Was Alive

After 2 years of struggling to find any courageous lender to refinance my home, a friend took pity on me. He is a mortgage banker. He found a sophisticated national lender who was willing

to work outside the box. Now, when that nasty message: “only 1 bureau this month will give me a Fair-Isaac score popped up”, he was prepared. Most mortgages today end up in the secondary market. Either “Freddie Mac” or “Ginnie Mae” typically sets the guidelines for that. So, why not try to get some Federal Government agency (on paper) to declare, “Jokinen is alive.”

A Visit To The Government

Last month I walked into the Houston Regional Office of Social Security, and begged them to write a Government letter saying that I was not dead. Under Federal Law this is Chase Bank’s or the 3 Credit Bureaus responsibility to prove, or disprove. But, those fat cats only “yawned in my face” every time I requested they correct this glaring inaccuracy.

At first, the employees in the Social Security office did not know what to do with my request. There was not a sample letter on this topic in their federal handbook. They decided to call their Supervisor in Washington. I also had to talk to some higher official in the national capital, who then asked to speak again to the Houston Office Manager. These two talked some more, and then started laughing. Soon, all the clerks in this entire Social Security office started whispering to each other and then laughing. A few minutes later my human interest story spread out into the waiting room.

My request for this unusual letter was being translated into Chinese, Vietnamese, Spanish, etc. As people started hearing my strange story in their language, they started laughing too. Soon the entire floor in this high rise was laughing. I was now the object of much pity.

When the Social Security Manager finally presented me with my “Living Letter”, the entire waiting room broke out into applause. It was like “little David going out to slay the Goliath

Bank.” Yes, my wife and I finally got our home’s mortgage refinanced. But, it was not from any help given by the Federal Fair Credit Reporting Act.

What Happened To The 30-Day Rule?

The 1994 Act required creditors and depositors to furnish only “accurate” information. Who enforces this? When consumers dispute any data these bureaus have 30 days to theoretically correct those errors. Is this a fairy tale? I’ve never seen it happen in real life.

Chase Bank has “inaccurately,” reported me dead for more than 26 months. They still have not lifted one finger to update or correct their inaccuracy. Then, one year after Chase Bank declared me “deceased”, they mailed me an offer to raise the credit limit on that same Visa card in dispute, to \$10,500, with “zero” interest on balance transfers for 9 months.

Is this a question of their right hand not knowing what the left hand is doing? Or, was it just a profit-hungry bank looking to make a buck off a dead man’s account? Chase Bank, also, sent me an unsolicited \$5,000 preprinted check to pay off a competitor bank card accounts. This was beginning to look like the old “Abbott and Costello” comedy routine: “What’s on first, who’s on second”? Except this bank is no longer funny to me. What a phony slogan Chase Bank claims to have: “The right relationship is everything.” The only relationship Chase Bank has ever given me is “dead man walking”.

Ten years ago, Congress was moved to considering new fair credit reporting laws. This move came after research revealed “in 1991 consumers had to complain an average of 23 weeks before getting minor corrections on their credit reports”. By 1993, it got worse. Consumers had to now complain for a longer average of 31 weeks before getting any satisfaction.

My 30 Days Has Grown To 784 Days.

I have been complaining to all 3 Giant Credit Bureaus, (plus Chase Bank) for over 112 weeks - and still, I get no satisfaction? Rodney Dangerfield described America's current consumer plight best - "We get no respect!" How many more weeks do I have to "ask" these giants to grant me my consumer credit rights that were supposedly authorized by Congress 9 years ago?

My Damages

The costs of this credit bureau screw-up to me keep mounting monthly. It is an ever-increasing financial burden. I discovered I have been spending an average of 7 hours each week, just keeping these mounting credit errors under control. This comes to 364 hours a year with my finger stuck in this "Dyke of Inaccurate Data". I'm afraid if I pulled my finger out, I would be totally inundated in a swirling sea of paper lies. If their flood of bogus reports became more overwhelming it will impair my ability to economically support my family. For the last dozen years my minimum rate for consulting has been \$50 per hour. So far, I've expended 798 hours on just trying to keep Chase Bank and the "3 Stooges" (the 3 bureaus) under control. That's cost me \$39,900, so far.

Paying much higher monthly mortgage payments over the last two years than I now have has already cost me an additional \$11,000. Also the higher interest rate slapped on us when we purchased my wife's used car has already cost us another \$2,500.

I am currently trying to raise money from investors. I'm starting a new type of Home Building Company. We will build new modular homes in six weeks, instead of the regular 6months.

These new homes will also be Hurricane proof (up to wind speeds of 130 mph), Flood proof (up to 2 feet above your neighbor's living room floors), and Mold resistant. These new homes look identical to any conventional stick built homes on the same block. One of my potential investors (a \$200,000 prospect) told me he pulled a merged credit file on me, and it scared him

off. That's an additional \$200,000 investment that should have been generating profits for my new corporation. These itemized monetary damages today add up to, more than \$250,000, and counting.

Emotional Suffering

I was my mother's only child. We were quite close. My mother had Tuberculosis during the 2nd World War. She was confined to a T.B. sanitarium in Detroit for 3 years. My mother left our house when I was five years old. I never saw her in person again until I was 8 years old.

In 1943 the T.B. doctors removed half of my mother's lung. During her recovery, the T.B. doctor told my mother she probably only had 2 to 5 more years to live. That's because she was now living on only half a lung, and it would eventually wear out. That was when she was 39 years old. She actually lived to 95. Because of Chase Bank's stupidity I have now relived her last few painful years over and over again - while trying to get this mess cleared up.

Suggested Legislation

It seems most consumer complaints are the same: The majority of errors on their credit report don't get corrected. And, when some did, it wasn't in a timely fashion.

Solution

Give the F.T.C. the same licensing and oversight powers the S.E.C. currently has over Stock and Bond brokers.

That way, all future credit reports would go out under a full name and F.T.C. license of the bureau's assigned manager for that specific account. Then consumers would not be unfairly negotiating with name-less, face-less, customer services clerks they will never speak to again, the next time they call in or write. Under this reform trained and licensed persons on the other side would be fully responsible for handling consumer corrections in 30 days.

Then, if major mistakes are made, or not corrected the F.T.C. should be granted the same S.E.C. powers of serious fines against individuals, and /or their employing firms. The F.T.C. should be able to take away an individual's license to work in this credit industry. The F.T.C. should also be able to set jail time for those found guilty in court.

Solution Continues

Not only should the 3 depositories be required to licenses various levels of their staffs - this should also apply for all creditors who regularly supply the 3 credit bureaus with their information.

That mean all future credit reports will would also carry another set of contact names of licensed people after 1). Each bank's entry (like Chase), 2). Each retailers entry (like Sears), 3). Each lender's entry (like Countrywide), 4). Each insurers entry (like State Farm), and so forth.

The best way to reduce complaints in any industry is to professionally train all staff who must deal with the consumer. Then hold each of those licensed staff people individually accountable for their own report corrections, or lack of corrections.

Thank you for your time and courtesy today.

David Jokinen